

SOUTHWESTERN COLLEGE FOUNDATION

MEETING AGENDA

Tuesday, December 15, 2015

7:30 a.m. – 8:30 a.m.

LOCATION: BUILDING 210, ROOM 214

1. WELCOME/ CALL TO ORDER – Ricardo A. Macedo
2. APPROVAL OF MINUTES- **ACTION** (Enclosure) – Ricardo A. Macedo
A. November 24, 2015
3. PRESENTATION – FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT FY
END 6/30/15 (Enclosure) – Ricardo A. Macedo
A. Presented by Gabriel Martinez, Armando Martinez and Company, CPA
4. GOVERNING BOARD REPORT – Nora Vargas, SWC Governing Board Trustee
5. SUPERINTENDENT/PRESIDENT REPORT – Melinda Nish, Ed.D.
6. COMMITTEE REPORTS – Ricardo A. Macedo
A. Nominating Committee – **ACTION** – Ruben Garcia/Jesse Navarro
 - Renew Jean Roesch term to December 2018
B. Fundraising Committee – Melyn Acasio
 - 2016 Golf Tournament
 - Committee Co-chairs
 - Date for event
7. SCHOLARSHIPS – Ricardo A. Macedo
A. Needs Based Scholarship Recommendations
8. POTENTIAL RETREAT DATES – Ricardo A. Macedo
A. March 12, 2016 or March 19, 2016
9. TREASURERS REPORT – (Enclosure) – Cynthia Reyna
A. Financial Report November 2015
10. ADJOURNMENT – Ricardo A. Macedo

Next meeting date: January 26, 2016

Wishing you all a safe and happy holiday season



Item #2.A

Draft Meeting Minutes for November 24, 2015

SOUTHWESTERN COLLEGE FOUNDATION
MEETING MINUTES
Tuesday, November 24, 2015 ♦ 7:30 a.m. – 8:30 a.m.
LOCATION: BUILDING 210, ROOM 214

Present: Ben Green, Holly Hidinger, Ricardo Macedo, Melinda Nish, Melyn Acasio, Joe Martinez, Jean Roesch, Hank Murphy, Sofia Corona, and Chayo Moreno

Absent: Kimberly Grady, Linda Gilstrap, Halé Richardson, David Hoffman, Patti Finnegan, Nora Vargas, Cynthia Reyna, Lorena Victoria, Jesse Navarro, Ruben Garcia, and Mitch Thompson

Recorder: Dawn Perez

1. WELCOME/ CALL TO ORDER – Ricardo A. Macedo
The meeting was called to order at 7:36 a.m.
2. APPROVAL OF MINUTES – **ACTION** (Enclosure) – Ricardo A. Macedo
 - A. September 22, 2015
 - B. October 27, 2015Motion made by Joe Martinez, seconded by Jean Roesch and unanimously approved to accept the minutes for September 22, 2015 and October 27, 2015.
3. GOVERNING BOARD REPORT – Melinda Nish for Nora Vargas, SWC Governing Board Trustee
Dr. Nish reported for Nora Vargas as follows:
 - The budget looks relatively good. The District expects to receive some additional one-time monies as well as some on-going funds to hire a minimum of 23 new faculty hires.
 - Typically December is the Governing Board's organizational meeting where they select officers and committee assignments. It is expected that Nora Vargas will serve as president for the next year.
4. SUPERINTENDENT/PRESIDENT REPORT – Melinda Nish, Ed.D.
Dr. Nish reported as follows:
 - A good pool of applicants for the Executive Director of the Foundation has been received. First level interviews will be held December 4th with second level interviews being held on December 5th. Dr. Nish thanked Jean Roesch and Mitch Thompson for agreeing to serve on the first level interview committee and Ricardo Macedo for agreeing to serve on the second level interview committee.
 - A lot of hiring is taking place in great part due to the separation incentive that has been offered to employees meeting the criteria. Currently, more than 52 employees have indicated their intent to retire or separate. A celebration will be held on December 10th.
 - Enrollment is steady but we are hoping for growth. This is the first year of the 16-week semester calendar. We will be offering an intercession in January.
 - The District is moving into full swing of phase two Proposition R projects.
 - CA Community College Chancellor has announced that he will be leaving and there is a search in progress for his successor.

5. COMMITTEE REPORTS – Ricardo A. Macedo

A. Fundraising Committee

- Afternoon Luncheon – Ricardo A. Macedo/Melyn Acasio

Melyn presented a report of the Afternoon Luncheon results.

Discussion took place about a golf tournament in the spring. Directors believe that we should consider holding the tournament on a Friday morning, if available, instead of Wednesday.

- Follow-up on Needs Based Scholarship – Ricardo A. Macedo

Criteria, guidelines, and funding amount need to be determined. Discussion took place as to how we might incorporate Basic Skills student needs as well. Dr. Nish reported that we need to get the word out to students through faculty as to what scholarship opportunities are available to them. Dr. Nish also reported that once criteria and guidelines are created the College can administer this fund. She further reported that she will work with staff and a recommendation will be brought back to the board for consideration at the December meeting.

6. TREASURERS REPORT – (Enclosure) – Cynthia Reyna

A. The Financial Report for October 2015 was presented by Ricardo A. Macedo.

7. ADJOURNMENT – Ricardo A. Macedo

The meeting was adjourned at 8:18 a.m.

Item #3.A

Independent Auditors Report for FY Ended 6/30/15

SOUTHWESTERN COLLEGE FOUNDATION

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT**

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FOR THE FISCAL YEAR ENDED JUNE 30, 2015

SOUTHWESTERN COLLEGE FOUNDATION
Financial Statements and Independent Auditor's Report
For the Year Ended June 30, 2015

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INDEPENDENT AUDITOR'S REPORT

ARMANDO MARTINEZ & COMPANY
Certified Public Accountants
365 Church Avenue, Chula Vista, CA 91910
(619) 427-1981 • FAX (619) 427-2576

To the Board of Directors of
Southwestern College Foundation
Chula Vista, California

Independent Auditor's Report

We have audited the accompanying financial Statements of Southwestern College Foundation (a nonprofit organization), which comprise the statement of financial position as of June 30, 2015, and the related statements of activities and changes in net assets and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Southwestern College Foundation as of June 30, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

November 12, 2015

Armando Martinez + Co. CPAs

FINANCIAL STATEMENTS

SOUTHWESTERN COLLEGE FOUNDATION
Statement of Financial Position
June 30, 2015

ASSETS

Cash (Note 3)	\$ 90,613
Investments (Note 4)	895,399
Accounts receivable	582
Prepaid expenses	<u>2,500</u>
Total assets	<u><u>\$ 989,094</u></u>

LIABILITIES AND NET ASSETS

Liabilities

Accounts payable	\$ 1,194
Deferred revenue	<u>2,500</u>
Total liabilities	<u><u>3,694</u></u>

Net assets (Note 2)

Unrestricted	252,719
Temporarily restricted	732,681
Permanently restricted	<u>0</u>
Total net assets	<u><u>985,400</u></u>
Total liabilities and net assets	<u><u>\$ 989,094</u></u>

See accompanying notes to financial statements

SOUTHWESTERN COLLEGE FOUNDATION
Statement of Activities and Changes in Net Assets
For the Fiscal Year Ended June 30, 2015

	Temporarily <u>Restricted</u>	<u>Unrestricted</u>	<u>Total</u>
<u>Revenue and support (Note 2)</u>			
Contributions	\$ 3,450	\$ 70,398	\$ 73,848
Special event	0	81,050	81,050
Investment loss, net of \$11,139 of investment advisory fees	(21,702)	(13,648)	(35,350)
Interest and dividend	28,025	3,307	31,332
Net assets released from restriction:			
Satisfaction of donor requirements	(41,108)	41,108	0
Total revenue and support	<u>(31,335)</u>	<u>182,215</u>	<u>150,880</u>
 <u>Expenses (Note 2)</u>			
Program Services:			
Campus organizations and activities	0	21,337	21,337
Student scholarships and awards	0	57,108	57,108
Total program services	<u>0</u>	<u>78,445</u>	<u>78,445</u>
Supporting Services:			
Fundraising	0	26,901	26,901
General and administrative	0	11,545	11,545
Total expenses	<u>0</u>	<u>116,891</u>	<u>116,891</u>
 Increase in net assets	(31,335)	65,324	33,989
Net assets at beginning of year	<u>764,016</u>	<u>187,395</u>	<u>951,411</u>
 Net assets at end of year	<u><u>\$732,681</u></u>	<u><u>\$252,719</u></u>	<u><u>\$985,400</u></u>

See accompanying notes to financial statements

SOUTHWESTERN COLLEGE FOUNDATION
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2015

CASH FLOWS USED BY OPERATING ACTIVITIES

Increase in net assets	\$ 33,989
Adjustments to reconcile increase in net assets to net cash generated by operating activities:	
Realized gains on sales of investments	(94,437)
Unrealized loss on investments	118,647
Decrease in accounts receivable	1,030
Decrease in Due to Southwestern College	(101)
Increase in accounts payable	538
Increase in deferred revenue	<u>2,500</u>
Net cash generated by operating activities	\$ 62,166

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of investment instruments	<u>(31,026)</u>
Net increase in cash	31,140
Cash at beginning of year	<u>59,473</u>
Cash at end of year	<u><u>\$ 90,613</u></u>

See Accompanying Notes to the Financial Statements

SOUTHWESTERN COLLEGE FOUNDATION
Notes to Financial Statements
June 30, 2015

Note 1. ORGANIZATION

The Southwestern College Foundation (“the Foundation”) is a California not-for-profit public benefit corporation organized and incorporated in 1982. The Foundation was established for the purpose of raising friends and funds that support all aspects of educational advancement at Southwestern College.

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Foundation are prepared on the accrual basis of accounting whereby revenues are recognized when earned and expenses are recognized when incurred. Transfers of funds in which the Foundation is acting as an agent, trustee or intermediary for the donor are not recorded as revenue.

Basis of Presentation

Financial statement presentation follows the recommendation of the FASB Accounting Standards Codification 958 *Financial Statements of Not-for-Profit Organization*. The Foundation is required to report its financial position and activities according to three classes of net assets:

Unrestricted – Net assets that are not subject to donor-imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of the Board of Trustees.

Temporarily Restricted – Net assets subject to donor-imposed restrictions on their use that can be fulfilled either by actions of the Foundation pursuant to those restrictions or the passage of time.

Permanently Restricted – Net assets subject to donor-imposed or other legal restrictions requiring that the principal be maintained permanently by the Foundation. Generally, the donors permit the Foundation to use all or part of the income earned for either general or donor-specified purposes. No permanently restricted assets were held during the current fiscal year. Accordingly, these financial statements do not reflect any activity related to this class of net assets.

Income Taxes

The Foundation, a not-for-profit organization operating under Section 501(c)(3) of the Internal Revenue Code, is exempt from federal, state, and local income taxes. Accordingly, no provision for income taxes is included in the financial statements.

SOUTHWESTERN COLLEGE FOUNDATION
Notes to Financial Statements
June 30, 2015

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes (continued)

The Foundation's Form 990, *Return of Organization Exempt from Income Tax*, for the years ending 2012, 2013, and 2014 are subject to examination by the IRS, generally for three years after they were filed.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the Statement of Financial Position. Investment income or loss (including realized and unrealized gains and losses on investments) is included in the accompanying Statement of Activities.

Restricted and Unrestricted Revenue

Contributions received are recorded as increases in unrestricted, temporarily restricted, or permanently restricted net assets, depending on the existence and/or nature of any donor restrictions. When a donor imposed restriction expires or when the purpose of the restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. This will affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. However, management believes that differences, if any, would not be significant.

Note 3. CASH

For the statement of financial position and statement of cash flows, cash is defined as all monies in checking, money market, and certificate of deposit. The cash balance as of June 30, 2015 was as follows:

Checking account	\$ 45,092
Money Market accounts	<u>45,521</u>
Total	<u>\$ 90,613</u>

SOUTHWESTERN COLLEGE FOUNDATION
Notes to Financial Statements
June 30, 2015

Note 4. INVESTMENTS

Investments, stated at fair value, consist of the following at June 30, 2015:

	<u>Fair Value</u>
Cash	\$ 40,980
Exchange traded funds	184,722
Mutual funds – bond funds	170,998
Equity securities	<u>498,699</u>
Total	<u>\$ 895,399</u>

Investment income consists of the following:

	Temporarily <u>Restricted</u>	<u>Unrestricted</u>	<u>Total</u>
Net realized gain	\$ 84,653	\$ 9,784	\$ 94,437
Net unrealized loss	(106,355)	(12,293)	(118,648)
Investment advisory and other fees	<u>0</u>	<u>(11,139)</u>	<u>(11,139)</u>
	<u>(\$ 21,702)</u>	<u>(\$ 13,648)</u>	<u>(\$ 35,350)</u>

Note 5. DONATED SERVICES

The Board of Directors manages the operations of the Foundation. These management services include all aspects of Foundation operations including fundraising, overseeing the disbursing of donations, awards and stipends, and recordkeeping. The Foundation provides no monetary remuneration to the Board of Directors. No amounts have been reflected in the financial statements for these donated services, as no objective basis is available to measure the value of such services.

Note 6. SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 13, 2015, the date the financial statements were available to be issued. No other significant subsequent events have been identified that would require adjustment of or disclosure in the accompanying financial statements.

Item #9.A
Financial Report November 2015

SOUTHWESTERN COLLEGE FOUNDATION

FUNDS SEGREGATION REPORT

11/01/15 - 11/30/15

Account Name	Fair Market Value as of November 1, 2015	Inflow	Outflow	Gain/(Loss)	Fair Market Value as of November 30, 2015
Unrestricted Funds Accounts					
UBS Brokerage Accounts	\$206,266.05	\$0.00	\$12.00	-\$577.45	\$205,676.60
Seacoast Commerce Bank Checking	\$40,106.93	\$51,044.24	\$31,997.16	\$0.00	\$59,154.01
Seacoast Commerce Bank Savings	\$45,543.74	\$5.62	\$0.00	\$0.00	\$45,549.36
Sub-Totals	\$291,916.72	\$51,049.86	\$32,009.16	-\$577.45	\$310,379.97
Temporarily Restricted Funds Accounts					
UBS Brokerage Account (See Attachment for Scholarship Funds Breakdown)	\$685,835.72	\$12.00	\$0.00	-\$1,371.67	\$684,476.05
Seacoast Commerce Bank Checking (See Attachment for Pilot Program Accounts Breakdown)	\$6,257.69	\$50.00	\$0.00	\$0.00	\$6,307.69
Sub-Totals	\$692,093.41	\$62.00	\$0.00	-\$1,371.67	\$690,783.74
Total Funds Accounts	\$984,010.13	\$51,111.86	\$32,009.16	-\$1,949.12	\$1,001,163.71

SOUTHWESTERN COLLEGE FOUNDATION

Statement of Financial Position

NOVEMBER 2015

(UNAUDITED)

ASSETS

Checking/Savings			
Operating Account	\$	65,461.70	
Money Market Account		<u>45,549.36</u>	
Total Checking/Savings			\$ 111,011.06
Other Assets			
Marketable Securities			
Unrestricted		205,676.60	
Temporarily Restricted		<u>684,476.05</u>	
Total Marketable Securities			
Total Other Assets			<u>890,152.65</u>
TOTAL ASSETS			\$ <u><u>1,001,163.71</u></u>

LIABILITIES & NET ASSETS

Net Assets			
Temp. Restricted Net Assets		732,680.76	
Unrestricted Net Assets		252,719.72	
Net Income		<u>15,763.23</u>	
Total Net Assets			<u>1,001,163.71</u>
TOTAL LIABILITIES & NET ASSETS			\$ <u><u>1,001,163.71</u></u>

SOUTHWESTERN COLLEGE FOUNDATION

Profit & Loss

For The Five Months Then Ended November 30, 2015

(UNAUDITED)

	<u>Nov'15</u>	<u>Year-to-Date</u>
Ordinary Income/Expense		
Annual Fund - Unrestricted	250.00	1,750.00
Dividend/Interest - Unrestricted	338.34	2,135.39
Dividend/Interest - Temporarily Restricted	1,138.33	7,177.57
Realized gain/loss · Unrestricted	-915.79	-1,867.89
Realized gain/loss · Temporarily Restricted	-2,504.38	-7,182.56
Direct Public Contributions- Temporarily Rest.	62.00	93.00
Direct Public Contributions- Unrestricted	6,101.24	8,855.36
Total Income	<u>4,469.74</u>	<u>10,960.87</u>
Gross Profit	4,469.74	10,960.87
Expenses		
Bank Fees	160.34	160.34
Campus Activities/Events	8,000.00	14,650.00
Outside Services	8,492.00	8,492.00
Stipends	900.00	900.00
Postage	23.32	42.92
Taxes and Fees	85.00	85.00
Investment Expense	0.00	5,480.88
Total Expense	<u>17,660.66</u>	<u>29,811.14</u>
Net Ordinary Income	<u>-13,190.92</u>	<u>-18,850.27</u>
Other Income/Expense: Special Events		
2015 Afternoon Luncheon		
Income	46,606.00	50,256.00
Expenses	15,642.50	15,642.50
2015 Afternoon Luncheon	<u>30,963.50</u>	<u>34,613.50</u>
Total Other Income/Expense: Special Events	<u>30,963.50</u>	<u>34,613.50</u>
Net Income	<u><u>17,772.58</u></u>	<u><u>15,763.23</u></u>

Southwestern College Foundation
Temporarily Restricted Funds Accounts Detail - 11/01/15 - 11/30/15

Scholarship Funds

Account Description	FMV - 11/01/15	Inflow	Outflow	Gain/(Loss) -0.002	FMV - 11/30/15
♦ Athletic Endowment - 061	\$14,659.90			(29.32)	\$14,630.58
♦ CAN Scholarship - 032	\$138,895.46		\$0.00	(277.79)	\$138,617.67
♦ Douglas Barnhart Scholarship - 059	\$40,186.23		\$0.00	(80.37)	\$40,105.85
♦ Eastlake Company - 058	\$28,861.91		\$0.00	(57.72)	\$28,804.19
♦ Garden of Giving -037	\$75,128.28		\$0.00	(150.26)	\$74,978.03
♦ Jean Wear Scholarship - 056	\$7,020.77			(14.04)	\$7,006.73
♦ McMillin Companies - 052	\$32,707.28		\$0.00	(65.41)	\$32,641.87
♦ Metallic Scholarship - 016	\$12,800.15		\$0.00	(25.60)	\$12,774.55
♦ M. Watkins Scholarship - 036	\$15,502.29			(31.00)	\$15,471.28
♦ Otay Mesa Child Development - 044	\$17,920.67			(35.84)	\$17,884.83
♦ Tantalo/Conti Scholarship - 033	\$48,233.10		\$0.00	(96.47)	\$48,136.63
♦ Sarah Riker Scholarship - 046	\$5,461.72			(10.92)	\$5,450.80
♦ Hayden Stewart Scholarship - 034	\$106,492.40	\$12.00	\$0.00	(212.98)	\$106,291.41
♦ Valenzuela Scholarship - 055	\$14,146.16		\$0.00	(28.29)	\$14,117.87
♦ WalMart Scholarship -060	\$10,843.17		\$0.00	(21.69)	\$10,821.49
♦ Luckman Scholarship -066	\$6,478.69			(12.96)	\$6,465.73
♦ Lassman Scholarship - 054	\$14,086.78	\$0.00	\$0.00	(28.17)	\$14,058.61
♦ Carolyn Brady Fund - 053	\$96,410.75		\$0.00	(192.82)	\$96,217.93
Totals	\$685,835.72	\$12.00	\$0.00	-\$1,371.67	\$684,476.05

Program Accounts Pilot Program

Account Description	FMV - 11/01/15	Inflow	Outflow	Gain/(Loss)	FMV - 11/30/15
♦ SWC Retirees Scholarship Fund	\$1,750.00	\$0.00	\$0.00	\$0.00	\$1,750.00
♦ Micro Enterprise Family Child Care Program	\$1,250.00	\$0.00	\$0.00	\$0.00	\$1,250.00
♦ SWC Law Related Program	\$400.00	\$0.00			\$400.00
♦ SSG Joshua P Mattero Memorial Fnd	\$632.69	\$0.00	\$0.00	\$0.00	\$632.69
♦ Presidents Circle	\$1,000.00	\$0.00	\$0.00	\$0.00	\$1,000.00
♦ SWC Sun	\$1,225.00	\$50.00	\$0.00	\$0.00	\$1,275.00
Totals	\$6,257.69	\$50.00	\$0.00	\$0.00	\$6,307.69